

TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS
SFY 2027 Operating Budget
Comparison Report
June 4, 2026

This Comparison Report provides an explanation of some of the changes to cost categories which have a variance greater than \$25,000 and 10%.

In total, this SFY 2027 Operating Budget is \$46,263,272 or a \$2,231,634 (4.6%) decrease over the prior year budget.

COVID-19 stimulus federal funding and other initiatives associated with the CARES Act, Emergency Rental Assistance (ERA), the American Rescue Plan Act (ARPA), and the Bipartisan Infrastructure Law (BIL) account for \$1,395,364 of the decrease, and Capital Budget accounts for \$2,491,066 of the decrease. The decrease is offset by a \$1,654,796 or 4.4% increase associated with the Department's core programs.

Please refer to the Comparison by Expense Object schedule on Page 4.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 77.9% of the total operating budget.

The budget reflects 393 FTEs, a decrease of 4 FTEs over the previous year. Of the total FTEs, 291 CAP FTEs are associated with the Department, 64 CAP FTEs are associated with the Manufactured Housing portion of the agency, and 38 are associated with temporary federal funding.

The Salaries and Wages line item decreased by \$480,978 or 1.6%.

Salaries related to temporary programs decreased \$1,610,281 or 41.0% as a result of attrition of staff from Texas Rent Relief (TRR), Homeowners Assistance Fund (HAF), Community Development Block Grant (CDBG), and HOME ARPA.

Salaries related to the Department's core programs increased \$1,129,303 or 4.4%. The increase is primarily due to the addition of 9 FTEs to strategically realign resources and strengthen organizational capacity in support of compliance with federal requirements.

Payroll related costs related to the Department's core programs increased \$271,033. The increase in payroll related costs is proportional to the increase in salaries.

2. **Travel In-State.** Travel In-State increased by \$58,580 or 11.7%. The increase is reflective of current economic conditions and travel needs associated with Compliance, Community Affairs, and Section 8 Program activities.

3. ***Professional Fees.** Professional Fees decreased by \$2,372,167 or 36.0%. This is primarily related to reduced capital budget project costs in the second year of the biennium.
4. **Repairs and Maintenance.** Repairs and Maintenance increased by \$284,950 or 20.0%. The increase is primarily related to software customization costs in association with Community Affairs.
5. **Advertising.** Advertising decreased by \$50,250 or 47.3%. The decrease is primarily attributed to a reduction in the advertising budget for the BIL WAP Program due to a lower level of anticipated advertising activity.
6. **Temporary Help.** Temporary Help increased \$457,250 or 97.4%. The increase is primarily due to closeout activities associated with the Texas Rent Relief and Homeowner Assistance Fund programs, including the temporary engagement of former staff with program-specific experience.
7. ***Furniture and Equipment.** Included in this category is the Legislature's approval of the Department's Hardware and Software Replacements project for SFY26 and SFY27 as it relates to non-capital expenses such as update and replacement of end-user computers and operational software upgrades, including the replacement of desktop computers and laptops that will be six years old or older and software updates. The benefits of these planned purchases include increased security, better performance for end-user computers, and the ability to provide continued support for TDHCA's enterprise systems, such as the Central Database, CAPPs Financials, MITAS Accounting/Loan Servicing, and the Manufactured Housing System.

This line item increased \$96,696 or 27.1%, due to an anticipated decrease in capital expenditures for items such as computers and printers, the majority of which occur in the first year of the biennium.

8. **Communication and Utilities.** Communication and Utilities decreased \$98,875 or 15.9%. This category is also included in the Department's Hardware and Software Replacement project as it relates to direct capital expenses such as server hardware upgrades and network equipment enhancements, to ensure systems remain supported by vendors and security and reliability remain at high levels.

**The Department's Capital Projects are included in Professional Fees, Repairs/Maintenance, Furniture and Equipment and Capital Outlay. These projects include hardware and software replacements, database consolidation, ongoing Low Income Housing Tax Credit application, ongoing CAPPs financials license fees, Office 365, and the Disaster recovery services through the data center services performed by the Department of Information Resources.*

Methods of Finance

The SFY 2027 Budget includes the following sources:

General Revenue

State appropriated funds including Housing Trust Fund, Housing and Health Services Coordinating Council, and Homeless Housing and Services Program.

Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds.

Federal Funds

Federal Funds-(Non-Housing and Economic Recovery Act (HERA)) - Core federal programs such as Community Services Block Grant (CSBG), Emergency Solutions Grant (ESG), HOME, U.S. Dept. of Energy (DOE), Section 8 Housing, Section 811 PRA Program, Low Income Home Energy Assistance Program (LIHEAP), and National Housing Trust Fund.

Neighborhood Stabilization Program - Federally appropriated funds specifically designated for HERA-NSP.

Federal Funds – (CARES Act, CRBRA, & ARPA) - Supplemental stimulus funding in response to the Coronavirus pandemic for core federal programs such as CSBG, ESG, Section 8, and LIHEAP. In addition, it reflects funding for the Community Development Block Grant (CDBG), ERA, HAF, and BIL WAP.

Appropriated Receipts - Housing Finance (HF):

Bond Admin Fees - Appropriated receipts associated with our Single Family and Multifamily bond programs such as application fees, issuance fees, and administration fees.

Low Income Housing Tax Credit Fees - Appropriated receipts associated with our housing tax credit program such as application fees and commitment fees.

Compliance Fees - Fees assessed to multifamily developers for the purpose of ensuring long-term compliance.

Asset Oversight Fees - Fees assessed to Tax Credit Assistance Program (TCAP) and Exchange property owners for the purpose of safeguarding the Department's financial interest in their properties.

Migrant Labor Housing Fees – Fees assessed for the purpose of inspections of migrant housing facilities.

Appropriated Receipts (MH) - Manufactured Housing Division fees generated through inspecting, licensing, and titling activities.

Interagency Contracts - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (OCI) Self-Help Center's operation and administration; and a contract with the Texas Health and Human Services Commission (HHSC) for the Money Follows the Person program.

Comparison by Expense Object

	2026	2027	Variance	Percentage
	Budget	Budget	(b-a)	Change
	(a)	(b)		
Salaries and Wages	\$ 29,558,590	\$ 29,077,612	\$ (480,978)	-1.6%
Payroll Related Costs	7,094,062	6,978,627	(115,435)	-1.6%
Travel In-State	501,450	560,030	58,580	11.7%
Travel Out-of-State	206,280	202,600	(3,680)	-1.8%
*Professional Fees	6,589,016	4,216,849	(2,372,167)	-36.0%
Material and Supplies	292,461	293,635	1,174	0.4%
*Repairs/Maintenance	1,425,458	1,710,408	284,950	20.0%
Printing and Reproduction	22,361	22,311	(50)	-0.2%
Rentals and Leases	133,490	142,003	8,513	6.4%
Membership Fees	114,224	115,734	1,510	1.3%
Staff Development	215,250	205,150	(10,100)	-4.7%
Insurance/Employee Bonds	713,976	703,654	(10,322)	-1.4%
Employee Tuition	4,500	4,500	-	0.0%
Advertising	106,250	56,000	(50,250)	-47.3%
Freight/Delivery	33,825	35,375	1,550	4.6%
Temporary Help	469,381	926,631	457,250	97.4%
*Furniture and Equipment	357,244	453,940	96,696	27.1%
Communication and Utilities	622,256	523,381	(98,875)	-15.9%
*Capital Outlay	-	-	-	n/a
State Office of Risk Management	34,832	34,832	-	0.0%
Total Department	48,494,906	\$ 46,263,272	\$ (2,231,634)	-4.6%

* Budget categories that include Capital Budget items

FTE's	397	393	(4.00)	-1.0%
Method of Finance:				
GR-General Revenue	\$ 1,257,319	\$ 1,266,217	\$ 8,898	0.7%
GR-Earned Federal Funds	3,482,809	3,521,222	38,413	1.1%
Federal Funds	11,475,259	11,432,614	(42,645)	-0.4%
Federal Funds-Temporary	1,736,658	1,300,999	(435,659)	-25.1%
Federal Funds-ARPA	1,950,252	1,034,521	(915,731)	-47.0%
Federal Funds-DOE BIL	2,054,818	2,010,374	(44,444)	-2.2%
Appropriated Receipts - Housing Finance	25,609,240	24,960,862	(648,378)	-2.5%
Appropriated Receipts - Migrant Labor Housing	128,350	145,694	17,345	13.5%
Appropriated Receipts - Manufact. Housing	512,133	511,899	(234)	0.0%
Interagency Contracts	288,068	78,870	(209,198)	-72.6%
Total, Method of Finance	\$ 48,494,906	\$ 46,263,272	\$ (2,231,634)	-4.6%

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, Asset Management Fees and Compliance Fees.

Note: Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and

Comparison by Expense Object														
	2026				2027				Base Variance		Percentage		Percentage	
	Budget	Capital Budget	Temporary Funds (a)	2026 Base Budget (b)	Budget	Capital Budget	2027 Temporary Funds (c)	2027 Base Budget (d)	(d)-(b)	Change	Temp Variance (c)-(a)	Change	Temp Variance (c)-(a)	Change
Salaries and Wages	\$ 29,558,590		\$ 3,923,595	\$ 25,634,995	\$ 29,077,612		\$ 2,313,314	\$ 26,764,299	\$ 1,129,303	4.4%	\$ (1,610,281)	-41.0%		
Payroll Related Costs	7,094,062		941,663	6,152,399	6,978,627		555,195	6,423,432	271,033	4.4%	(386,467)	-41.0%		
Travel In-State	501,450		27,126	474,324	560,030		19,979	540,051	65,727	13.9%	(7,147)	-26.3%		
Travel Out-of-State	206,280		43,865	162,415	202,600		41,063	161,537	(878)	-0.5%	(2,802)	-6.4%		
*Professional Fees	6,589,016	4,149,014	435,819	2,004,183	4,216,849	1,260,728	647,977	2,308,144	303,961	15.2%	212,158	48.7%		
Material and Supplies	292,461		24,773	267,688	293,635		20,083	273,551	5,863	2.2%	(4,690)	-18.9%		
*Repairs/Maintenance	1,425,458	415,194	35,373	974,891	1,710,408	712,118	131,231	867,059	(107,832)	-11.1%	95,858	271.0%		
Printing and Reproduction	22,361		1,107	21,254	22,311		1,102	21,209	(45)	-0.2%	(5)	-0.4%		
Rentals and Leases	133,490		8,376	125,114	142,003		8,106	133,897	8,783	7.0%	(270)	-3.2%		
Membership Fees	114,224		20,223	94,001	115,734		20,649	95,085	1,084	1.2%	426	2.1%		
Staff Development	215,250		26,548	188,702	205,150		20,930	184,220	(4,481)	-2.4%	(5,619)	-21.2%		
Insurance/Employee Bonds	713,976		50,179	663,797	703,654		25,622	678,032	14,235	2.1%	(24,557)	-48.9%		
Employee Tuition	4,500		-	4,500	4,500		-	4,500	-	0.0%	-	n/a		
Advertising	106,250		100,000	6,250	56,000		50,000	6,000	(250)	-4.0%	(50,000)	-50.0%		
Freight/Delivery	33,825		1,070	32,755	35,375		631	34,744	1,988	6.1%	(438)	-41.0%		
Temporary Help	469,381		113,276	356,105	926,631		514,105	412,525	56,420	15.8%	400,829	353.9%		
*Furniture and Equipment	357,244	309,644	5,803	41,797	453,940	409,940	3,769	40,231	(1,566)	-3.7%	(2,034)	-35.0%		
Communication and Utilities	622,256		22,878	599,378	523,381		12,542	510,839	(88,539)	-14.8%	(10,336)	-45.2%		
*Capital Outlay	-		-	-	-		-	-	-	n/a	-	n/a		
State Office of Risk Management	34,832		85	34,747	34,832		94	34,738	(9)	0.0%	9	11.1%		
Total Department	\$ 48,494,906	\$ 4,873,852	\$ 5,781,758	\$ 37,839,296	\$ 46,263,272	\$ 2,382,786	\$ 4,386,394	\$ 39,494,092	\$ 1,654,796	4.4%	\$ (1,395,364)	-24.1%		

Method of Finance:														
General Revenue:	2026				2027				Base Variance		Percentage		Percentage	
	Budget	Capital Budget	Temporary Funding (a)	2026 Base Budget (b)	Budget	Capital Budget	2027 Temporary Funding (c)	2027 Base Budget (d)	(d)-(b)	change	Temp Variance (c)-(a)	Change	Temp Variance (c)-(a)	Change
GR-General Revenue	\$ 1,257,319		\$ -	\$ 1,257,319	\$ 1,266,217		\$ 1,266,217	\$ 1,266,217	\$ 8,898	0.7%	\$ -	n/a		
GR-Earned Federal Funds	\$ 3,482,809		\$ 40,031	\$ 3,442,778	\$ 3,521,222		\$ 40,500	\$ 3,480,722	\$ 37,944	1.1%	\$ 469	1.2%		
Federal Funds	\$ 11,475,259	2,161,714	\$ -	\$ 9,313,545	\$ 11,432,614	908,176	\$ -	\$ 10,524,438	\$ 1,210,893	13.0%	\$ -	n/a		
Federal Funds-Temporary	\$ 1,736,658		\$ 1,736,658	\$ -	\$ 1,300,999		\$ 1,300,999	\$ -	\$ -	n/a	\$ (435,659)	-25.1%		
Federal Funds-ARPA	\$ 1,950,252		\$ 1,950,252	\$ -	\$ 1,034,521		\$ 1,034,521	\$ -	\$ -	n/a	\$ (915,731)	-47.0%		
Federal Funds-DOE BIL	\$ 2,054,818		\$ 2,054,818	\$ -	\$ 2,010,374		\$ 2,010,374	\$ -	\$ -	n/a	\$ (44,444)	-2.2%		
Appropriated Receipts - Housing Finance	\$ 25,609,240	2,712,138	\$ -	\$ 22,897,102	\$ 24,960,862	1,474,610	\$ -	\$ 23,486,252	\$ 589,150	2.6%	\$ -	n/a		
Appropriated Receipts - Migrant Labor Housing	\$ 128,350		\$ -	\$ 128,350	\$ 145,694		\$ 145,694	\$ 17,345	\$ 17,345	13.5%	\$ -	n/a		
Appropriated Receipts - Manufact. Housing	\$ 512,133		\$ -	\$ 512,133	\$ 511,899		\$ 511,899	\$ 234	\$ (234)	0.0%	\$ -	n/a		
Interagency Contracts	\$ 288,068		\$ -	\$ 288,068	\$ 78,870		\$ 78,870	\$ -	\$ (209,198)	-72.6%	\$ -	n/a		
Total, Method of Finance	\$ 48,494,906	\$ 4,873,852	\$ 5,781,758	\$ 37,839,296	\$ 46,263,272	\$ 2,382,786	\$ 4,386,394	\$ 39,494,092	\$ 1,654,796	4.4%	\$ (1,395,364)	-24.1%		



FISCAL YEAR 2027
OPERATING BUDGET
(September 1, 2026 through August 31, 2027)

June 4, 2026

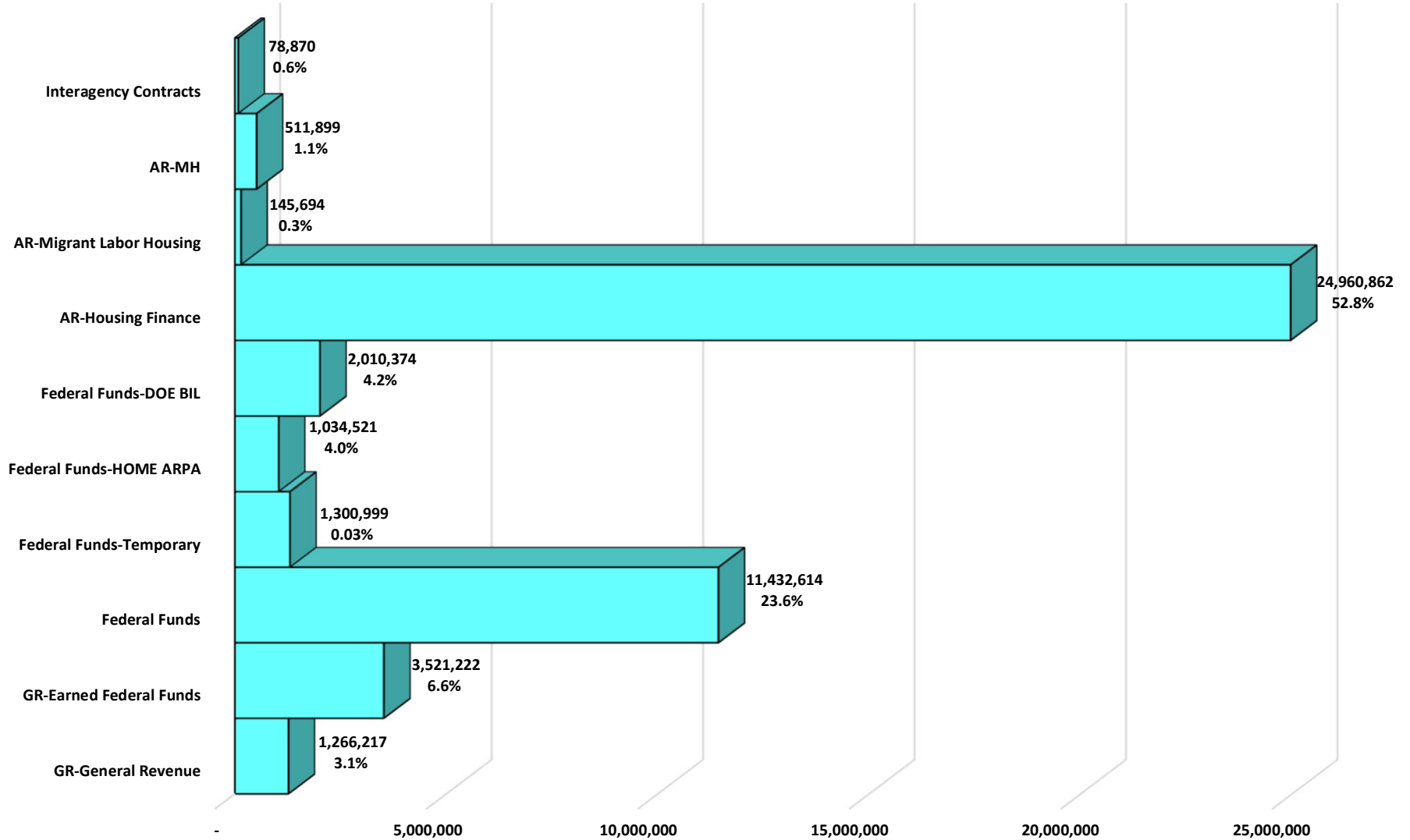
Prepared by the Financial Administration Division

**TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS SFY-2027 OPERATING BUDGET**

T A B L E O F C O N T E N T S

Method of Finance Chart..... 1
Agency Wide - By Method of Finance 2

Texas Department of Housing and Community Affairs SFY 2027 Method of Finance



Total Budget: 46,263,272

Agency Wide - By Method of Finance

September 1, 2026 thru August 31, 2027

Budget Categories	General	Federal Funds	Temporary	ARPA	BIL WAP	Appropriated	Interagency	MH	Total
	Revenue		Federal Funds			ARPA		Receipts	
Salaries	3,055,634	7,320,367	537,786	808,969	966,558	15,920,739	62,650	404,909	29,077,612
Payroll Related Costs	733,352	1,756,888	129,069	194,153	231,974	3,820,977	15,036	97,178	6,978,627
Travel In-State	37,725	179,382	551	3,134	16,294	322,944	-	-	560,030
Travel Out-of-State	4,717	60,582	689	6,667	33,707	96,238	-	-	202,600
Professional Fees	622,944	1,104,289	119,954	61	526,255	1,843,346	-	-	4,216,849
Materials/Supplies	52,824	36,307	920	1,175	4,588	197,821	-	-	293,635
Repairs/Maintenance	185,164	395,034	879	6,213	106,125	1,016,993	-	-	1,710,408
Printing and Reproduction	3,103	1,848	-	50	1,052	16,258	-	-	22,311
Rental/Lease	13,157	9,724	87	21	5,477	113,537	-	-	142,003
Membership Dues	1,880	32,840	331	80	20,238	60,364	-	-	115,734
Staff Development	15,743	52,453	965	5,734	13,231	117,024	-	-	205,150
Insurance/Employee Bonds	118,561	132,596	8,669	2,410	14,543	415,908	1,156	9,811	703,654
Employee Tuition	1,173	-	-	-	-	3,327	-	-	4,500
Advertising	-	2,000	-	-	50,000	4,000	-	-	56,000
Freight/Delivery	2,182	1,874	-	500	131	30,688	-	-	35,375
Temporary Help	24,222	106,663	499,832	50	10,365	285,499	-	-	926,631
Furniture/Equipment	2,359	151,724	165	1,540	2,064	296,088	-	-	453,940
Communications/Utilities	50,472	86,720	1,028	3,749	7,764	373,647	-	-	523,381
Capital Outlay	-	-	-	-	-	-	-	-	-
State Office of Risk Management	7,920	1,324	74	15	5	25,466	28	-	34,832
Total	4,933,132	11,432,613	1,300,999	1,034,523	2,010,374	24,960,862	78,870	511,899	46,263,272
Budget by Method of Finance, 2026	4,868,477	11,475,258	1,736,659	1,950,254	2,054,818	25,609,240	288,068	512,133	48,494,906
Variance from 2026	64,655	(42,645)	(435,660)	(915,731)	(44,444)	(648,378)	(209,198)	(236)	(2,231,634)